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## **East Asia**

***Korea:KULLOJA***

***No. 6, June 1990***

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[Article by Chu Kil-pon; not translated]

### The Problem of Speed and Balance in Socialist Economic Construction

912DO01A Pyongyang KULLOJA in Korean No 6, Jun 90 pp 51-56

[Article by So Chae-yong]

[Text] In his policy address delivered at the first session of the Ninth Supreme People's Assembly [SPA] of the DPRK, the great leader Comrade Kim Il-song emphasized developing all fields in a balanced way while quickly developing priority sectors of the people's economy so as to meet the demands of the principles of socialist economic development in order to dynamically expedite socialist economic construction.

The great leader's instructions concerning correctly guaranteeing economic development speed and balance are a guiding principle that we must grasp firmly in order to positively accelerate socialist economic construction today, when the struggle to create the "Speed of the 90's" is being vigorously waged.

One of the important problems involved in stepping up socialist economic construction is to properly guarantee the development speed and balance of the people's economy.

Socialist economic construction is a difficult and complex struggle to subjugate and remake nature and provide an independent and creative material life for the toiling masses. If we are to develop productivity so as to accelerate economic construction and fill the material demands of the workers, we must correctly set up and maintain the economic links that bind together the economic sectors of the people's economy and the production units, as well as linkages between reproduction and the elements of production, and those between the country's regions. The quantitative application of these various economic linkages that are formed in the process of struggle to subjugate and remake nature, constitute balance in the people's economy. The speed of economic development and the success of social production are greatly influenced according to how this balance is ensured.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and Secretary of the Central Committee of the WPK, pointed out as follows:

"In the business of planning it is important to correctly solve the problem of production-growth speed and balance. Production-growth speed and balance are inextricably interrelated and in the business of planning neither of them should be made absolute."

The development of the economy in a planned and balanced manner is an important objective law in socialist society, which is based on social ownership of the means of production. The law demands that the planned nature as well as the balanced nature of the people's economy be thoroughly guaranteed. That is achieved by means of the economic organizer function of the socialist state.

Enhancing the economic organizer function of the state, as well as establishing in a goal-conscious manner and maintaining the balance of the people's economy, are important conditions for accelerating socialist economic construction at a rapid speed.

In economic construction, speed and balance are intimately interrelated. A fast rate of speed serves as a prerequisite for rational balance and balance depends on speed. In economic construction, speed and balance are intimately connected and interdependent and the position and role they occupy in the reproduction process are by no means identical. In the mutual relationship between speed and balance, the primary thing is speed, and balance is a means to achieve speed.

Therefore, in the business of planning, neither one can be made absolute. In the case where balance is made absolute, we are unable to properly solve the problem of establishing the speed of production growth to meet the demands of realistic development and the problem of mobilizing all reserves. Conversely, in the case of making production-growth speed supreme while advocating high speed, balance is destroyed and it becomes impossible to ensure a high rate of speed.

During the entire period it has led the socialist economic construction, our party has put forth accurate policies in order to guarantee economic development speed and balance, and has provided wise leadership so that it could be thoroughly implemented.

In order to correctly guarantee the speed and balance of economic development, our party has put its priority energy into the balance between accumulation and consumption, between production of the means of production and consumption reproduction. These two balances both have decisive significance for resolving problems of economic construction and raising the people's standard of living.

In order to properly guarantee these balances, our party has seen to it that priority is given to accumulation while simultaneously developing consumption. It has firmly adhered to the economic construction line of giving priority to the development of heavy industry while at the same time developing light industry and agriculture. In particular, while putting much energy into strengthening the country's defensive potential under complex internal and external situations, our party has always accurately maintained the balance between accumulation and construction, between production of the means of production and the production of consumer goods so that the people do not feel inconveniences in their daily lives. Therefore, the quantitative relationship between investments in the productive sector and investments in the nonproductive sector has been achieved in a rational manner and we have been able to resolve correctly and equally the problems of building a socialist material and technical foundation, building up national defense, and raising the people's standard of living.

Our party has also wisely provided leadership so as to maintain the overall balance in the development of the people's economy while positively guaranteeing balance down to the smallest detail. However, overall balance can only be accurately guaranteed realistically when the management activities and reproduction of all of the links of all sectors and units of the people's economy down to the smallest detail are accurately intermeshed with one another.

Our party has carried out uniform and careful planning so that balance could be achieved in detail while guaranteeing the overall balance in economic development. It has seen to it that all economic indicators have been planned concretely, down to the smallest detail, and overcome the moral aspect and strengthened the legal aspect of not only the large indicators, but even the small ones. In particular, the party has guaranteed the total balance in the people's economy. It has established balances in order to put primary emphasis on resolving strategic economic tasks that the party sets forth each period of the revolution, and construction and has seen to it that they are firmly maintained. Thus, the balance in the development of the people's economy has come to be firmly guaranteed, and in all sectors and units we have been able to utilize effectively social labor as well as to seek out and mobilize internal reserves to the maximum, and to accelerate production at a high rate of speed.

Positively establishing a balance and guaranteeing its objectivity is an important principle that our party has consistently adhered to in guaranteeing balance in the people's economy. Balance in the people's economy in every respect has as its objective the guarantee of a high rate of speed of economic development. Therefore, it is not a matter of adjusting speed to maintain balance, but rather one of positively establishing a balance and maintaining it so as to achieve rapid economic development, basing it on an accurate calculation and analysis of the demands of economic laws and objective conditions, and of realistic possibilities.

In order to guarantee positive balance, our party has always made it possible for all economic sectors to develop rapidly and evenly, seeing to it that lagging sectors catch up with leading sectors while rapidly developing leading sectors without letup and helping other sectors to pull abreast of these sectors. And it has thoroughly guaranteed balance and objectivity by seeing to it that all balances are fixed on the basis of scientifically calculating various conditions such as development level of productivity and the ideological consciousness of the workers, technical skills level, and the status of availability of raw materials and supplies, so as to meet the demands of realistic development. Positive balance and objectivity have served as important factors in raising the workers' labor zeal to the maximum and making it possible to fully mobilize and utilize all manner of the country's resources.

By firmly guaranteeing balance in the people's economy, our country has achieved a continuous high rate of speed of

economic development. During the entire period of socialist industrialization (1957-1970) in our country, manufacturing has grown each year an average of 19.1 percent. During the period of the Six Year Plan as well as the second Seven Year Plan the economy grew at a high rate of speed. Our manufacturing during the period of the second Seven Year Plan grew at a rate of 12.2 percent a year. Even in the period of the third Seven year plan, with the scale of the economy so large, the economy of our country is growing at a fast rate of speed. The high rate of speed of economic development achieved in our country is the result of the wise leadership of our party, which has put forth the most accurate policies to guarantee balance in the people's economy even under the difficult condition of national division and has led the popular masses straight ahead to implement these policies with our own strength.

In the present period, correctly guaranteeing balance in the people's economy emerges as an even more important problem in accelerating socialist economic construction at a continuously high rate of speed.

As economic construction deepens and the country's overall economic scale increases, the demand for raw materials, fuel, and supplies in the processing industry and all other sectors of the people's economy increases extraordinarily. The demand for raw materials, fuel, and supplies is in proportion to the scale of the economy. In particular, the more an economy that possesses an independent and multifaceted structure grows, the greater the demand for raw materials, fuel, and supplies grows.

As the technical and equipment level of the people's economy rises, the demand for raw materials, fuel, and supplies also expands suddenly. That is connected to the fact that the greater the mechanization and automation, the more the raw materials, fuel, and supplies consumed per unit hour increase.

To satisfactorily guarantee the ever increasing demand for raw material, fuel, and supplies in all sectors of the people's economy so as to meet the characteristics of each sector is a basic guarantee for correctly maintaining balance in the people's economy.

When the scale of economic construction increases, the demand for labor also increases. Only by doing a good job of allocating labor to all sectors of the people's economy and correctly providing funds to satisfy the expansion of production resources is it possible to guarantee balance in the people's economy.

Correctly guaranteeing the pace and balance of economic development in the present period is an important problem also with respect to the situation in which management units are organized on a large scale and the production-consumption links have become complex.

Today the industrial complex has been broadly organized in our country. It is a planning, production, and implementation unit, a form of business organization that creatively carries out management activities under

the centralized guidance of the state. All the enterprises constituting the complex carry out—with great dependence on higher authorities—production and management activities on their own, joining forces and helping one another.

Under such conditions, only when the production and consumption links among the individual enterprises constituting the complex are accurately coordinated, and balance in the overall people's economy is guaranteed under the unified guidance of the state, is it possible to mobilize and utilize completely the country's production potential to suit the real conditions of the enlarged scale of the economic units and expedite accelerated socialist economic construction at a rapid rate of speed.

In the economic development process, as the demand for production resources and funds that are required in production rises with the intensification of socialist construction, individual sectors may develop more quickly or more slowly than called for in the plan. Under such conditions, ensuring balance in the people's economy is a firm guarantee for continually speeding up the rate of economic construction.

In properly guaranteeing the speed and balance of development in the people's economy, the principle that must always be adhered to is to thoroughly subordinate balance to the demands of party economic policy.

In our party's economic construction line and policy are reflected—together with the overall demands of the country's revolution and construction—the immediate tasks of economic construction that must be accomplished each period and the prospective tasks of developing the nation's economy to a new, higher stage. And in the party's line and policy are clearly elucidated the basic methods for their successful accomplishment. Therefore, only when balance in the people's economy is established and maintained is it possible to hasten overall economic construction at a continuous, high rate of speed. Only then is it possible to achieve new leaps forward and innovations in those sectors and projects that the party strategically sets forth and regards as critical so as to meet the demands of the economic policy set forth in the relevant period and provide a fuller, more civilized material and cultural life for the people.

Among the capital construction projects with productive significance to which our party is devoting its energies in socialist economic construction today are the second stage of the Sunchon Vinalon Complex, the Sariwon Potassium Fertilizer Complex, a large-scale iron and steel mill, and a hydroelectric power plant. Concentrating the strength of the entire party and the whole state, we must positively establish balance in the people's economy so that the construction of those projects the party sets forth as essential during the present period are promoted positively and finished quickly. They must be guaranteed no matter what happens.

In addition, we must vigorously carry out the struggle to rapidly increase production of electric power, coal, iron, and steel and develop light industry and agriculture.

An important problem in successfully accomplishing the economic construction tasks set forth by our party is to positively guarantee balance, on the basis of aggressively seeking out and mobilizing inner reserves.

The 17th Plenum of the Sixth Central Committee of the WPK set forth the economic construction task of making sure that inner reserves are aggressively sought out and mobilized in all sectors and units of the people's economy and that the existing economic construction foundation prove its worth. It vigorously aroused the entire party and all the people to the struggle for its implementation.

In the process of struggle for implementation of the decision of the plenum, vast production reserves came to be uncovered in the various sectors of the people's economy. This is a dynamic demonstration of the great vitality of our independent national economy.

When we correctly set up measures to utilize effectively such reserves that are aggressively uncovered through the lofty revolutionary zeal of the producer masses, we can go on achieving even greater successes in socialist economic construction.

The important thing in correctly guaranteeing economic development speed and balance to meet the realistic demands of socialist construction is first of all to bring about a new transformation in planning work.

The great leader Comrade Kim Il-song taught as follows: "As we always stress, planning is one of the key problems influencing the success of socialist economic construction." (Works of Kim Il-song "Vol. 19, p. 445.)

Planning work is a prerequisite for guaranteeing balance in the people's economy. By means of planning work, all of the country's resources are scientifically calculated and balance in the people's economy comes to be established in a goal-oriented manner so as to meet the laws of socialist economic development and the intention of the party. If we are to do a good job of guaranteeing balance in the people's economy to be able to achieve a high rate of growth of economic development, we must devote priority efforts to improving the business of planning so as to meet the demands of realistic development.

Today our party has considered various problems of balance including balance between accumulation and consumption, between production and construction, and between different sectors of the people's economy—and the immediate and prospective interests of our revolution and has explained about doing a good job of dealing with these.

Here the first order of business is to determine priorities and concentrate efforts on the central link.

Among economic tasks there are those which have major significance in the overall people's economy and there are those that do not. And there are urgent things and less urgent things as well. This being the case, we must distinguish among the priorities and establish a plan so as to concentrate our energies on the central key. Only by correctly fixing priorities and the central links based on the party's policy demands and realistic conditions, is it possible to reap great fruits in economic work.

Functionaries of the economic sector must, in accordance with the intention of the party, put their efforts into normalizing production in all sectors of the people's economy at a high level and raising the people's standard of living and must continuously create innovations in this field.

Functionaries of the economic sector, in consonance with the realistic conditions in which the scale of the people's economy has grown larger and the production and consumption linkages have grown very complex, must correctly meld the state's centralized unified guidance with the creativity of the economic units and thoroughly implement the mass line in formulating plans.

In order to thoroughly implement the mass line and to guarantee scientificness in the work of planning in the present period, the problem of enhancing the role of the industrial complex assumes importance. Industrial complexes must, according to the party's policy demands, set up plans that mesh down to the smallest detail. First of all, they must coordinate efficiently the plan indicators within the industrial complexes. Those things that cannot be meshed within their own complex should be meshed between complexes within the province. Those that still do not mesh should be coordinated with industrial complexes in other provinces.

The next important thing in correctly guaranteeing speed and balance in economic development to meet the realistic demands of socialist construction is to guarantee balance in the people's economy under the principle of giving priority to the extractive industry over the processing industry and to the power industry over other sectors of the people's economy.

Primary raw materials and fuels are an important factor in production and without these the processing industries cannot develop rapidly. Therefore, only by correctly guaranteeing balance between these two sectors under the principle of firmly giving priority to the extractive industry over the processing industry is it possible to normalize production in all sectors of the people's economy at a high level and to continuously, safely, and rapidly develop them.

The basic method for putting the priority on the extractive industry over the processing industry is to concentrate great efforts on the Anju Region coal mines, which have large underground reserves. We must readjust and strengthen the transportation system, improve facilities

management, accelerate open pit coal mine development, aggressively carry out the mechanization of the work in all coal mines, and widely adopt efficient coal mining methods. Also we must readjust and strengthen extraction facilities at the Musan Mining Complex and speed up the work of expanding mining capacity.

Electricity is the basic motive power of modern industry and inasmuch as demand for electricity is quickly expanding in all sectors of the people's economy, we must firmly give priority to the electric power industry over other sectors of the people's economy so that balance in all sectors of the people's economy is properly guaranteed and production is normalized and developed at a fast rate of speed.

The basic method for increasing electricity production is to vigorously step up the construction of the hydroelectric power plants that are already under construction and other new power station construction. We must also readjust and strengthen existing power generation facilities, actively introduce new technology, and produce more electricity from existing power generating stations.

Indeed, the work of guaranteeing the balance between the extractive industry and the processing industry as well as between electric power production and demand is the important key that must be grasped in guaranteeing balance in the totality of the people's economy. And it is a firm guarantee for continuously creating endlessly high rates of speed of the economic development.

The next important thing in correctly guaranteeing speed and balance in economic development to meet the realistic demands of socialist construction is to improve decisively the work of guaranteeing materials.

The speed of development and balance in the people's economy is achieved realistically through the rational distribution of the means of production and manpower. The basic problem here is the allocation of the means of production. Even if we flawlessly perform planning work and prepare raw materials, fuel, and other resources, if we do not do a good job of guaranteeing the materials, we cannot translate into reality the plans that have been set up. Therefore, we cannot properly maintain balance in the people's economy.

The important demand that emerges in the work of ensuring materials is to provide materials on a concentrated basis to sectors and units and important targets that the party is strategically setting forth. To do a good job of ensuring the supply of materials, it is important to enhance the functions of the industrial complex. All industrial complexes must, through materials companies, guarantee supplies of materials in compliance with the materials supply contracts and deliver them in the form of spot goods—even to the production sites of the enterprises under them. In addition, even if supplies mesh with the plan and the contract, they must appropriately supply as much as needed on the basis of accurately investigating and understanding the status of the production plan of the enterprises under the complex

and the supplies on hand. Thus the industrial complexes must positively adjust various balances beginning with the balance between factories and enterprises and that between production and consumption.

Another important thing in guaranteeing speed and development in economic development in conformity with the realistic demands of socialist construction is to devote efforts to developing transportation.

Inasmuch as production begins with transportation and is repeated as a result of transportation, without giving priority to transportation over production, we cannot correctly maintain speed and balance in the development of the people's economy. Today, when the scale of the economy is growing and the links among economic sectors have become strengthened, the significance of transportation in guaranteeing balance in the people's economy is growing ever greater.

The decisive key to solving the transportation problem is to develop railroad transportation. Railroad transportation in our country accounts for the overwhelming share of transportation. Only by putting primary efforts into railroad transportation is it possible to firmly give priority to transportation over production and correctly guarantee the balances between production and transportation, and production and consumption.

The basic method to develop railroad transportation is to expand the state struggle in this sector and increase the production of freight cars, to make the railroads capable of carrying heavy loads, and to further strengthen their entire material and technical foundations. Among these, achieving the heavy load capability of the railroads and developing railroad transportation to a new, higher stage emerges as a more important problem. In addition, we must develop truck and ship transportation and thoroughly implement the guidelines on three-fold transport (pipelines, conveyor belts, and cableways). An effective method for solving the strained transportation problem is for all sectors and units of the people's economy to vigorously support railroad transportation and rationally utilize transport methods to suit the actual situation of their own unit.

Enhancing the responsibility and role of economic guidance functionaries is a decisive guarantee for correctly guaranteeing speed and balance in economic development.

Planning work for correctly guaranteeing speed and balance in development of the people's economy, the results of the work of producing and supplying raw materials, fuel, and materials, as well as the work of transportation are, after all, greatly influenced according to how the guidance functionaries work.

In order to enhance the sense of responsibility of guidance functionaries, they must have a good understanding of the country's overall economic situation and the actual situation of their own unit. Only if all economic guidance functionaries always know the country's

overall situation in addition to having specific knowledge of the material and technical conditions of their own unit and the status of their workers' ideological consciousness is it possible to carry out without fail under any circumstance the tasks entrusted to them and to firmly guarantee balance in the people's economy.

The sense of responsibility and role of the functionaries is expressed in grasping the specifics of the actual situation as well as carrying out their work in a revolutionary manner. Economic guidance functionaries must highly display their party spirit, working class spirit, and people-minded spirit and boldly and vigorously push forward their work and put into good balance the various management activities in their sector and their own units.

Thus, we must positively contribute to achieving an endless upsurge in socialist economic construction by brilliantly accomplishing the economic construction tasks set forth by the great leader Comrade Kim Il-song in his policy speech at the first session of the Ninth SPA.

#### **The Effective Use of Manpower Is a Main Task in Improving the Labor Administration**

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[Article by Kim Ki-chan; not translated]

#### **Industrial Management and Economic Calculation**

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[Article by Choe Won-chol]

[Text] Today, when the entire people of the whole country are rushing forward and vigorously carrying out a struggle to expedite socialist economic construction upholding the historic policy speech made by the great leader Comrade Kim Il-song at the first session of the Ninth Supreme People's Assembly (SPA) of the DPRK, one of the important tasks facing economic guidance functionaries is to further improve industrial management and administration according to the demands of the developing reality.

Industrial management is an important administrative economic work that organizes and carries out the full range of management activities of an enterprise in order to accomplish the production tasks received from the state. Only by doing a good job of industrial management work—including planning work in factories and enterprises and production organization, technical guidance, labor administration, and guaranteeing materials—is it possible to rationally consolidate production elements and effectively utilize production assets and successfully accomplish the plan tasks assigned to one's unit and to be able to actively contribute to expediting overall socialist economic construction. Today, when socialist economic construction is vigorously being pushed to a new, higher stage, the great reserves of

increased production and economizing are laying the groundwork precisely for industrial management.

If we want to improve industrial management at all factories and enterprises, it is important that functionaries correctly perform economic calculations.

The great leader Comrade Kim Il-song taught as follows:

"Economic guidance functionaries must cultivate the habit of correctly performing calculations in economic management, of reckoning the consumption of labor, materials, and funds, of economizing them to the maximum, and of effectively utilizing them."

Planning and coordinating on the basis of scientific calculation is an important demand of the Taean Work System created by our party.

Economic calculation is the work of analyzing extensively and specifically the actual status of diverse economic and technological factors that are at work in economic activities, their interrelationships, and their processes of change and development, and calculating the economic effectiveness of production and management activities. So numerous are the elements operative in economic phenomena and so complex the economic details that unless economic calculation is done well, it is impossible to correctly organize and carry out production and management activities and to effectively utilize all of the reserves and potentials and achieve a high rate of speed in production growth.

Correctly performing economic calculations in improving socialist industrial management is of the utmost importance.

Above all, properly performing economic calculations makes it possible to set up practical economic measures that make it possible to thoroughly implement the party's economic policies.

Thoroughly implementing our party's economic policy is a basic principle that must be adhered to in industrial management and operation. Only by thoroughly implementing the party's economic policy is it possible to correctly carry out all the management activities of factories and enterprises to meet the demands of overall economic development and vigorously expedite production and construction on the enterprise level or the entire people's economy level. In our society there can be no industrial management apart from the implementation of party economic policy. Factories and enterprises must always establish carrying out the policy demands of the party as their first task of industrial management.

If we are to thoroughly implement the party's economic policy in industrial management, it is important to strengthen collective guidance of the party committee according to the demands of the Taean Work System and to smoothly set up practical economic measures based on scientific calculation.

In order to thoroughly implement the party's economic policy we must fix the correct direction and struggle goals and specifically plan and coordinate all management activities to meet the demands of the developing reality. In a situation where a series of economic tasks confront our enterprises and the material and technological conditions of production are continuously changing and diverse and complex situations arise at any time, we cannot correctly implement the party's economic policy solely by general emphasis and exhortations.

Only by correctly performing economic calculations and comprehensively analyzing and specifically reckoning the actual situation and utilization status of labor, facilities, materials, and funds in the factories and enterprises is it possible to scientifically and realistically set up struggle goals and tasks for implementation of party economic policy and satisfactorily guarantee the human and material conditions necessary to accomplish them. In particular, if economic calculations are done well, it is always possible to understand and analyze production trends and management activities of factories and enterprises by finding strengths and weaknesses and correcting on time the deviations that may occur in the implementation of party economic policy and accurately setting up measures to implement them thoroughly.

Correctly performing economic calculations also makes it possible to scientifically and rationally conduct industrial management to meet the demands of objective economic laws.

Socialist industrial management is a creative activity aimed at accomplishing the economic tasks assigned by the party to one's unit, understanding and utilizing objective economic laws. Only when we correctly achieve the demands of the various economic laws that are objectively operative in factories and enterprises can we guarantee the scientificness and rationality of industrial management and mobilize and utilize the production potential of enterprises to the maximum and satisfactorily accomplish the duties given them by the party and state.

To carry out the overall management activities of enterprises according to objective laws, industrial management must correctly calculate the requirements of objective economic laws.

Economic laws that reflect the intrinsic and necessary connection between economic phenomena and processes have various contents and operate in diverse forms in the practice of socialist economic construction. To that degree, it is not possible to correctly materialize the demands of economic laws in industrial management without concretely and comprehensively calculating the function and role of the law of planned, balanced development of the people's economy, the law of socialist expanded reproduction, the law of growth of labor production efficiency, the law of value, and other objective economic laws as well as their interrelationship and the actual situation of the conditions they affect.

Only when economic calculations are done well is it possible to accurately work out economic and technological measures to meet the demands of economic laws that regulate each aspect of management operations and the realistic conditions and correctly guarantee all economic organization work including planning, production guidance, labor organization, and materiel guarantees according to objective laws. So, in accordance with scientific and technological principles it is possible to rationally guarantee the work of accurately putting forth combat objectives in factories and enterprises, thereby laying the groundwork for production organization and meshing production elements.

The production process is the process of allocating and consuming labor, facilities, materials, and funds. Therefore, if factories and enterprises want to satisfactorily accomplish the state's plans and tasks with the labor and material and technological means received from the state, they must eliminate all manner of waste and effectively utilize all elements of production. The important objective of socialist industrial management is precisely seeing to it that great production results are achieved from small outlays.

One of the methods for achieving this industrial management objective in factories and enterprises is to do a good job of economic calculation.

Only by doing a good job of economic calculation and reckoning down to the finest detail of the the production elements and their forms of utilization, is it possible to find production resources and elements that are not yet being utilized, or which are not being completely utilized, and to mobilize and utilize them to the fullest. In addition, if economic calculations are done well, by preparing for and reckoning all the various expenditures and economic effects related to production, it is possible to find rational methods to eliminate waste from social labor, and ways to utilize it effectively and economically.

To perform economic calculations well is thus an important method for rationally and scientifically planning and organizing industrial management to meet the policy demands of the party.

Above all, the important thing in doing a good job of economic calculation and improving industrial management in the present period is to calculate—generally and specifically—the economic and technological factors that have an impact on the normalization of production.

Normalizing production is the consistent guideline of our party and one of the important problems to which we must direct priority efforts in industrial management today. Only by correctly solving this problem is it possible to utilize effectively existing production capacity in order to meet the policy demands of the party and quickly increase production, and to satisfactorily achieve the inevitable demands of the socialist economy, which is developing in a planned manner.

In calculating the factors having an impact on production normalization, an important requirement is to analyze specifically the actual situation of production elements and accurately calculate the relations among related production sectors, units, and factories.

In industrial management we always must do a good job of labor-related calculations such as the ideological consciousness of the producers, the level of technical skills, the demand for labor and the form of ensuring it, and the qualitative level of the labor. And we must analyze the utilization status of equipment and facilities as well as the situation with respect to technical preparation, calculate in detail the demand and supply of raw materials, and mesh all of these together well.

In particular, factories and enterprises must correctly calculate the production capacity of existing machinery and facilities. They must specifically calculate things such as the makeup of machinery and facilities having an impact on their utilization levels and kinds of products, forms of production and labor organization, the quality of raw materials, tools, and jigs, the technical process, and the work methods. Thus they must guarantee that machines and facilities are kept going at full capacity and full operation and see to it that the actual production capacity is maximized.

In addition, it is important to do a good job of calculation in order to correctly guarantee balance in the capacity of facilities and production processes, and to form production and consumption links between related factories and enterprises. Only by so doing is it possible to find the right method for accomplishing without fail the plans and tasks of the state that have been put forth in each period, and to establish practical economic measures pertaining thereto.

Another important thing in doing a good job of economic calculation and improving industrial management is to correctly reckon the conditions and potentials for searching out and mobilizing fully the reserves of production growth.

Today, when the scale of the economy has grown incomparably and its material and technical foundations have been extraordinarily strengthened, there are countless reserves in all sectors and all units of the people's economy that can be mobilized and utilized. The more we can plan and coordinate industrial management and aggressively find and mobilize inner reserves, the more quickly we can increase production while using less additional investment and can put more funds into creating new production capacity.

Factories and enterprises of all sectors of the people's economy must do a good job of calculating goods consumption standards, work norms, and facilities capacity as well as correctly calculating the anticipated demand for products in the plan.

In particular, we must turn our deep concern to reckoning the effectiveness of social labor expenditure. Here it is

important to specifically calculate unit price so that the scale of the expenditures can be systematically narrowed. Only by so doing is it possible to eliminate noneconomic expenditures and achieve greater productivity with small outlays and to raise the qualitative standards of overall management activities of enterprises.

In addition, we must calculate well qualitative indicators such as the profitability of enterprises and the amount of production per worker and determine in detail indicators reflecting the individual aspects of economic effectiveness, including the amount of consumption of goods per unit of product, and the amount of production per unit of production area and production facilities.

The principled demand arising in properly carrying out economic calculations and improving industrial management is to make sure that functionaries always stand firmly in the position of the state.

The socialist economy is one that develops in a planned, balanced manner under the unified guidance of the state. The individual production units in the socialist society are merely a component part of the people's economy, which forms one monolithic body. Therefore, economic functionaries must always make their calculations from the standpoint of the state in doing economic calculations and making their investigations of all economic phenomena.

Economic functionaries should see to it that in economic calculations the profit of the factory or enterprise is subordinated to the profit of the entire state and that not even the slightest element of particularism is permitted. If only the interests of factories and enterprises are put forth in making economic calculations and made the absolute, the interests of the people's economy as a whole are violated and socialist economic construction is greatly impeded. Putting the interests of the state first in economic calculation and subordinating to them the interests of each individual productive unit is one of the important principles to which economic functionaries today must firmly adhere in order to highly display the might and superiority of the socialist economic system, which is based on collectivism.

A firm guarantee for doing economic calculations well and improving industrial management lies in enhancing the responsibility and role of economic functionaries.

It is the economic functionaries who are responsible for the production and management activities of factories and enterprises and who are in charge of organizing and directing them. Therefore, economic functionaries more than anyone else should skillfully perform various forms of economic calculation such as prime cost calculations, revenue and expenditure calculations, current calculations, and forecast calculations. They must also meticulously manage the housekeeping of factories and enterprises and aggressively expand production by effectively utilizing the given labor and material assets and funds.

Economic functionaries must have a proper appreciation of economic calculation and perform this work responsibly, as befitting a master.

Economic calculation is not purely a practical economic job, but an important matter for rationalizing and scientizing industrial management and normalizing production at a high level and for expediting overall socialist economic construction. If economic calculations are dealt with in a perfunctory manner and not given due attention, we will not be able to accurately guarantee the balance and relations among production sectors and units and links. Vast amounts of social labor will be wasted and ultimately we will be unable to display more highly the superiority and might of the socialist economic system, which is developing in a planned and balanced manner.

Economic functionaries must correctly recognize the importance of calculations in economic work and give full play to the trait of carrying out all industrial management based on scientific calculations. Economic functionaries must always have the attitude and self awareness of the master with respect to the nation's economy. They must concretely reckon the production and management activities and resolutely oppose even the slightest tendency to carelessly make economic calculations or perform the work in a haphazard manner.

Economic functionaries must make earnest efforts toward raising politico-administrative qualifications.

Doing economic calculations properly is not a problem that is solved only by subjective desires or exhortations. It requires that economic functionaries necessarily analyze scientifically and technically the diverse and complex economic phenomena and processes together with a high degree of policy-oriented insight and provide support for creative abilities capable of setting up correct economic-administrative measures.

Therefore, economic functionaries must set up revolutionary study traits and deeply study and master our party's economic policies and socialist economic theory. They must exert positive efforts in order to have knowledge of modern science and technology and a profound and broad knowledge of industrial management and operations. In particular, functionaries must cultivate the capability and habit of always going to the production sites and investigating and getting a hands-on understanding of the production and management activities on a routine basis and knowing how to solve in a timely fashion and on the basis of scientific calculations those practical economic problems that arise.

All economic functionaries must aggressively contribute to bringing about new transformations in socialist industrial management and operations by doing a good job of economic calculations so as to meet the realistic requirements of our country's socialist economic development.

**The Programmatic Guiding Principle Which Has  
Reflected the Situation of Socialist Reality and  
Illuminated the Correct Path to the Production of  
Revolutionary Films**

*00000000 Pyongyang KULLOJA in Korean  
No 6, Jun 90 pp 67-73*

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**Hidden Resources Lie in the Masses' Minds**

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[Article by Kim Chung-il; not translated]

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Durable Peace on the Korean Peninsula**

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